

AGENDA ITEM 7.4

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: February 28, 2022**FROM:** Katie Cole, Project Engineer

KIC
Initials

SUBJECT/ISSUE: On-Call Agreements with Vanir Construction Management Inc. for Construction Management Services.

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Consent Agenda	Time Needed for Presentation -	
Reviewed by			Initials	Date
Matthew Huish, City Manager			MBH	2-23-22
Sarah VanAusdle, Interim Public Works Director			SCV	02-28-22
Kristina Nelson-Gross, City Attorney			KNG	2.23.2022
Sue Hagener, Administrative Services Director			SH	2/9/2022
Charisse Deschenes, Asst. City Manager / Acting City Clerk			CD	2.24.2022

Consultant Need Matrix Analysis				
Staff Capacity	In-House Expertise	Objective Opinion	Time for In-House	In-House Cheaper
City is not staffed for private land development, which is cyclical in nature, and for CIP construction management oversight.	City staff has the expertise but lacks the availability due to competing needs such as delivery of CIP.	Not applicable in the same way as reviewing design or technical reports where peer review can offer an objective opinion.	Depends on scope of project being considered and current workload of in-house staff. We look to use in-house staff first if time and capacity is available.	Selected CM firm is cost competitive with the fully burden hourly rate for City's engineering staff.

PROBLEM/ISSUE STATEMENT

The City of Sequim (City) facilitates the expansion and repair of its existing and new infrastructure through the administration of a Capital Improvement Program (CIP) and through the oversight of private land development. Construction management is an essential component of the project delivery process to ensure that road, sewer, street, and storm drainage infrastructure are built to city standards resulting in resilient and reliable infrastructure to serve the community.

Since the City, as most other small municipalities, does not have enough full-time employees to facilitate such work for all CIP projects and private land developments, it is necessary to establish contracts with private professionals to perform necessary services such as construction management on a timely, as-needed basis.

Therefore, Public Works is recommending the City enter into on-call professional services agreement with a firm who specializes in construction management services. As the needs arise, task orders are negotiated and issued to the firm.

ATTACHMENTS

1. [Professional Services Agreement with Vanir Construction Management Inc.](#)

DISCUSSION/ANALYSIS

A Request for Qualifications was advertised in April of 2021 for construction management services. A total of six firms responded by submitting their qualifications. Public Works staff evaluated the qualifications of each firm and determined three firms: Raven Engineering Inc., Gray & Osborne Inc., and Vanir Construction Management Inc. to be well qualified to support the City. An on-call agreement was approved in June of 2021 for Raven Engineering. A second on-call agreement was approved in November of 2021 for Gray & Osborne. City Staff decided to delay selection of the third firm (Vanir Construction Management) until the City's workload justified having three firms. Staff is seeking authorization for the third firm (Vanir Construction Management) at this time.

FINANCIAL IMPLICATIONS

The qualification-based selection process the City is required to follow is time consuming for staff. One key advantage to an on-call professional services agreement is the administrative efficiency gained by going through the selection process once for potentially multiple projects.

On-call professional services agreements are different than conventional professional service agreements which are executed for a specific project. Instead, on-call agreements serve as a master agreement. When a project need arises, specific task orders are negotiated and executed within the terms of the master on-call agreement.

The City requires construction management primarily for two types of projects. First, construction management is used on CIP projects as dictated by the contracts for those

projects. The construction management for these projects ensures that the construction quality meets contract requirements.

Second, construction management is required for private development, including subdivisions, to ensure that developer-installed public infrastructure is installed to City standards. The City charges a permit fee, based on the value of the public infrastructure being installed. Costs for construction management for these projects are then recouped by those permit fees charged to the developer/contractor. The current cost of the permit is 3% of the valuation of public infrastructure improvements for project up to \$1M, and 4% for projects with a valuation of \$1M and above. The proposed 2022 Rates and Fees Ordinance includes a fee change of 5% of the valuation of public infrastructure improvements for projects up to \$1M.

Upcoming and current projects where on-call construction management services will likely be utilized:

1. Willow Creek (private land development)
2. Cedar Ridge (private land development)
3. Mariners Outlook (private land development)
4. W Washington St Arterial Overlay, River Rd to 9th Ave (CIP)
5. Various smaller private land development projects

Because construction is cyclical in nature which is especially true for private land development, and the exact timing is often unpredictable, having the construction management service available via on-call contracts is preferable to hiring a permanent FTE, whose workload could vary extensively.

The not-to-exceed amount for this on-call agreement is \$150,000 over the two-year contract period. Funding for individually negotiated task orders is project specific and will be based on the approved City budget.

RECOMMENDATION

Staff recommends that the City Council award the contract to Vanir Construction Management for Construction Management services and direct the City Manager to enter into a contract with Vanir Construction Management.

MOTION

This item is on the consent agenda, but the following motion has been prepared:

I move to award the contract to Vanir Construction Management in amount of \$150,000 and authorize the City Manager to execute an on-call agreement with Vanir Construction Management. I further authorize the City Manager or their designee to execute future task orders with Vanir Construction Management when necessary to support delivery the City of Sequim's Capital Improvement Program and the delivery of private land development projects.

